

**To:** Cabinet

**Date:** 8 July 2026

**Report of:** Director of Housing

**Title of Report:** Procurement of a high-support service for accommodation for single homeless individuals

| Summary and recommendations  |                                                                                                                                      |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>Decision being taken:</b> | To approve the commencement of a procurement exercise for accommodation with high support in Oxford from 1 <sup>st</sup> April 2027. |
| <b>Key decision:</b>         | Yes <a href="#">Forward plan - May 2026 - August 2026&lt;..   Oxford City Council</a>                                                |
| <b>Cabinet Member:</b>       | Cllr Mike Rowley, Cabinet Member for Regulation of the Private Rented Sector and Preventing Homelessness                             |
| <b>Corporate Priority:</b>   | Good, affordable homes.                                                                                                              |
| <b>Policy Framework:</b>     | Housing, Homelessness & Rough Sleeping Strategy 2023-28                                                                              |

| Recommendation(s): That Cabinet resolves to:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| <ol style="list-style-type: none"> <li><b>Give</b> project approval for the commencement of a procurement of an accommodation support service for individuals with multiple and complex support needs who are experiencing homelessness;</li> <li><b>Delegate</b> to the Director of Housing (following conclusion of the procurement) in consultation with the Group Finance Director, Director of Law Strategy and Governance and the Cabinet Member for Regulation of the Private Rented Sector and Preventing Homelessness), the authority to award a contract within the relevant budget.</li> </ol> |

| Appendix No. | Appendix Title             | Exempt from Publication |
|--------------|----------------------------|-------------------------|
| Appendix 1   | Risk Register              | No                      |
| Appendix 2   | Equality Impact Assessment | No                      |

## **Introduction and background**

1. The current contract is provided from a 37-bed hostel located in Oxford with shared accommodation in small 'clusters', including bedrooms with ensuite showers and a shared kitchen, as well as a small number of self-contained units. The contract provides for support staff on-site 24 hours per day, 7 days a week (24/7).
2. The client group the support service works with are single adults who are, or are at risk of homelessness and rough sleeping, and who require a high level of support to meet their needs and to assist recovery from homelessness. Individuals using this service will often have multiple support needs which requires a multi-agency approach.
3. The current contract for provision of these support services expires 31<sup>st</sup> March 2027 and cannot be extended any further. The Council is now looking to start a procurement process for a high support accommodation support service for to ensure that such facilities and support continue to be delivered in the city.

## **Procurement of supported accommodation**

4. There is a significant and sustained demand for supported accommodation services in Oxford. Existing services hold long waiting lists for assessment and have limited throughput due to the complexity of individuals' needs. The shortage is most acute within high support provision, where staff and support is available 24 hours per day. Continuing this type of provision is therefore critical to relieving system pressure, improving outcomes, and ensuring that individuals with the highest levels of need receive the right support at the right time.
5. The current service provision of 24 hour support located in accommodation with a 'cluster based' layout has worked well. This involves small groups of bedrooms arranged around shared kitchen and living spaces. This design is proven to be more effective than typical hostel accommodation, as it reduces issues such as noise and conflict between individuals while encouraging positive social interaction in a more manageable way. It also allows for a flexibility to create 'specialist clusters', such as female only. This model of support avoids the challenge associated with large tradition hostel setting by providing a more trauma informed environment that balances operational efficiency with dignity privacy and personalised support.
6. The intention for the procurement and new contract is to replicate the current arrangement and procure a high-support service for accommodation delivered from a single, well managed location to ensure individuals experiencing homelessness and who present with multiple and complex support needs can access timely, consistent support in a safe and stable environment.
7. The support services are to include support on site 24/7, and controlling access to the accommodation to enhance safety, enable continuous oversight, rapid response to incidents, and a consistent point of contact for service users.
8. Based on the current annual value of the current contract it is likely that a total contract value for a new contract including any proposed extension period, will exceed £750,000. As such, and in line with the Council's constitution, project approval is needed from Cabinet to start the procurement process for this service.
9. The intention is to contract for an initial period of 2 years (commencing on 1<sup>st</sup> April 2027), with an option for the Council to extend the contract for up to three further

periods of 12 months. The initial contract period will allow the much needed service to be in place through the period of reorganisation of local government in Oxfordshire, whilst the option to extend the contract, allows for any changes to need, demand, and available funding to be taken into account before committing for longer periods.

10. The funding for the proposed contract being procured, will be from the Homeless, Rough Sleeping and Domestic Abuse Grant (HRSDAG) from 1<sup>st</sup> April 2027 onwards.
11. The 2026/27 value for the current contract is at £319,823. A proportion of this cost, a total of £45,754, is met by District Councils in Oxfordshire. There is very limited provision of hostel or 24/7 staffed supported accommodation across the County, and to ensure that this important provision is available for individuals from across the County, Districts are contributing financially to the provision. The overall costs of the service to the City Council are therefore less than the full contract, releasing City funds to fund other homelessness services. The intention is for similar arrangements to be in place should this be needed and desired, for the service provision that is to be procured.

### **Procurement implications**

12. Due to the estimated value of the contract any procurement is likely to be subject to the Procurement Act 2023, and as such needs sufficient time to complete a fully compliant procurement process.

### **Alternative Options Considered**

13. Officers are requesting the approval from Cabinet to give project approval to commence a procurement for a high-support supported accommodation provision. Other options are as follows:
  - a. Extension of the current contract to enable continuation of the current service. This is not an option as the current contract does not allow for further extensions;
  - b. Discontinue the service when the current contract ends – this option is not advised for the following reasons:
    - i. A total of 37 individuals are currently directly benefitting from the service. There would be a high risk of homelessness and possible rough sleeping if this provision was not in place. Residents would have to be assisted to move from the service, putting undue pressure on already stretched service and supply.
    - ii. There is still high need for this type of provision, due to consistently long waiting lists for this kind of service.

### **Implications of Local Government Reorganisation**

14. In line with guidance on financial decisions before local government reorganisation that has been produced by and is available at the time of writing this report, the Council is not in a position to defer the procurement of a new service provision, and in line with guidance does not have to do so as this decision is necessary to ensure service delivery continues. As described in 'other options considered' above, should

the procurement of this service not take place, this would cause a gap or cessation of a key service.

### **Other implications**

15. The relevant implications, including those as a result of other options considered, the financial, legal and equalities, Local Government Reorganisation, and environmental, as well as risk are all included in the relevant sections of this report and in appendices of the report.

### **Financial implications**

16. The Council needs to ensure sufficient funds are available for the initial 2 year contract period. Based on the current annual value of the current support service contract, it is estimated that a similar support service contract for the period 1<sup>st</sup> April 2027 to 31<sup>st</sup> March 2029, could be in the region of £800,000. The entire contract period, including three extension periods of 12 months each (with final end date 31<sup>st</sup> March 2031), could be in the region of £2,000,000, with an upper budget limit of £2,500,000.
17. The Council received the Homelessness, Rough Sleeping and Domestic Abuse Grant (HRSDAG) from the Ministry for Housing, Communities and Local Government, for a period of three years from 1<sup>st</sup> April 2026. The current government allocation of this funding ends 31<sup>st</sup> March 2029. It is intended that the Council use HRSDAG to fund the initial 2 years of a new contract – 1<sup>st</sup> April 2027 to 31<sup>st</sup> March 2029.
18. At the time the initial contract period ends, 31<sup>st</sup> March 2029, new local government structures will have been confirmed/in place following Local Government Reorganisation, and the decision whether or not to exercise the extension clauses to the contract, and agreeing a budget to fund such extension periods, will be done as part of the budget setting process for the new local government arrangements
19. HRSDAG is ring-fenced grant, intended for local authorities to deliver services based on local need, that prevent homelessness and reduce rough sleeping, as well as to increase the supply of good quality supported housing. The supported accommodation service that the Council intends to procure, falls within remit of the grant as it will provide supported accommodation for single adults who are, or are at risk of homelessness and rough sleeping, and who require a high level of support to meet their needs and to assist recovery from homelessness.

### **Legal issues**

20. Under Parts 4.5 (10) 4.5 (11) 18.12 and 19 (17) of the Constitution Cabinet is responsible for the decisions set out in the recommendation. Under section 9E (3) (c) of the Local Government Act 2000 Cabinet is empowered to delegate its functions to officers.
21. Due to the estimated value of spend, including proposed extension periods, the procurement of the support service will need to be carried out in accordance with the Procurement Act 2023 and the Council's Constitution. The contract itself will be drafted to offer annual extension options but the decision to exercise them will be at the Council's sole discretion. If there is no funding following the initial contract period, the contract will naturally expire.

22. Any decision to award a contract of £750,000 or greater will be a Key Decision and will need to comply with the procedure for taking Key Decisions set out in the Council's Constitution.

#### **Level of risk**

23. The Risk Register is attached as Appendix 1.

#### **Equalities impact**

24. As detailed in the Equality Impacts Assessment attached as Appendix 2, there are limited impacts overall in relation to the procurement exercise in respect of this support service.

#### **Carbon and Environmental Considerations**

25. There are no environmental or carbon considerations arising directly from this report.

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| <b>Report author</b>       | Francesca Barr                                               |
| Job title                  | Senior Rough Sleeping Officer                                |
| Service area or department | Housing Service                                              |
| Telephone                  | 01865 252 582                                                |
| e-mail                     | <a href="mailto:Fbarr@oxford.gov.uk">Fbarr@oxford.gov.uk</a> |

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